raid conducted by CBI on SEBI officials

5287. SHRI B.B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether SEBI was empowered with major regulatory powers recently;

(b) if so, the details thereof;

(c) how far these have been implemented by the SEBI;

(d) whether CBI conducted raids on SEBI officials;

(e) whether these raids were initiated by the Ministry of Finance; and

(f) if so, the details thereof and the arrests made by the CBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes Sir. Following the enactment of amendments to the Securities and Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956 in March, 1995, SEBI has been empowered with additional powers for ensuring the orderly development of the capital Market.

(b) The amendments, inter-alia, provide SEBI with regulatory powers over corporates in the issuance of capital, transfer of securities and other related matters. SEBI has also been empowered to impose monetary penalties on capital market intermediaries for a range of violations which are listed in the Act. SEBI has been vested with powers to summon the attendence of and call for documents from all categories of intermediaries.

(c) the further empowerment of SEBI is a recent development. SEBI has been taking appropriate action, wherever necessary.

(d) SEBI has indicated that the residences and offices of three officers of SEBI were searched by the CBI, which is investigating into the matter.

(e) No, Sir.

(f) Does not arise.

Credit policy of RBI

5288. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has recently announced credit policy for the 1st half of the year 1995-96; and

(b) if so, what are the salient features thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHARA MURTHY): (a) Yes, Sir. Reserve Bank of India (RBI) announced the monetary and credit policy for the first half of 1995-96 on April 17,1995.

(b) The salient features of the monetary and credit policy are: a one percentage point increase in the maximum term deposit rate, introduction of a loan system for delivery of bank credit, reduction in credit to finance companies from banks/financial institutions, a ban on bridges loans against public issues and changes in amount credit refinance. The policy also outlines the details of the Rural Infrastructural Development Fund (RIDP), Consortium for Khadi & Village Industries Commission (KVIC) and Scheme for Financing Primary Weavers Co-operative Societies by commercial banks; measures which were earlier announced by the Finance Minister in his Budget Speech on March 15, 1995.

Losses suffered by Nationalised Banks

5289. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) what are the names of the nationalised banks which have suffered

losses during 1992-93, 1993-94 and 1994-95 and the amount of losses incurred by each bank (year wise) and the reasons therefor;

(b) what are the details of fraud cases detected in each of the nationalised bank committed by or in connivance with bank officials during the above period (year wise) and the amount involved and the action taken thereon in each case; and

(c) what steps Government have taken to check the recurrence of such frauds in banks in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The names of the nationalised banks statement which have suffered losses during 1992-93 and 1993-94 are given in Statement-I (*see* below). However, information for the year 1994-95 is not available because the audited Balance Sheets of the Banks for this year have not so far been received. New income recognition norms, the requirement of provisioning low yield on advances, especially priority sector advances, high volume of Non-Performing Assets and high overhead expenses are some of the causes attributable for losses of the public sector banks.

(b) The details of fraud cases detected in each of the nationalised banks and the amount involved therein during the year 1992, 1993 and 1994 are given in Statement-II (*see* below). The number of bank employees against whom action was taken (convicted/awarded major/minor penalty) for their involvement in frauds in nationalised banks during the years 1992, 1993 & 1994 (upto March) were 551,643 & 215 respectively.

(c) The public sector banks at the instance of Government and Reserve Bank of India (RBI) have taken several steps from time to time for checking corruption and prevention of frauds. These steps include issuing of comprehensive guidelines by RBI for strengthening the control mechanism in banks, review of fraud cases on a continual basis by RBI, setting up of a Special Investigation Cell in RBI, proper training of operational personnel etc. The banks have also been impressed upon to clear the arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis so as to prevent frauds in the these areas. RBI also monitors the progress made by the banks in implementation of various accepted recommendations of the Ghosh Committee which enquired into various aspects relating to frauds and malpractices in banks.

Statement-I

Names of Nationalised banks which suffered losses during 1992-93 and 1993-94

(Rs. in crores)

Sl. No.	Name of the Bank	1992-93	1993-94
1.	Allahabad Bank	(−105.89)	(−367.72)
2.	Andhra Bank	(−141.08)	(−162.25)
3.	Bank of India	(−331.12)	(−1089.15)
4.	Bank of Maharashtra	(−196.51)	(−296.93)
5.	Central Bank of India	(−383.31)	(−711.93)
6.	Dena Bank	(−90.46)	(−69.84)
7.	Indian Bank	(—)	(−390.65)
8.	Indian Overseas Bank	(−752.74)	(−351.18)

Sl. No.	Name of the Bank	1992-93	1993-94
9.	Punjab and Sind Bank	(−195.19)	(−175.99)
10.	Syndicate Bank	(−670.08)	(−299.40)
11.	United Bank of India	(−279.86)	(−618.06)
12.	UCO Bank	(−444.19)	(−546.45)
13.	Vijaya Bank	(−97.88)	(—)
14.	New Bank of India	(−75.79)	Merged with PNB

Statement-II

Statement showing Bank-wise number of frauds detected in Nationalised Banks and the amount involved therein during the years 1992, 1993 and 1994.

(Rs. in lakhs)

Sl. No.	Nationalised Banks	No. of frauds			Amount involved		
		1992	1993	1994	1992	1993	1994
1.	Allahabad Bank	33	%30	39	67.46	45.54	2,343.98
2.	Andhra Bank	41	66	25	1028.75	2130.92	131.00
3.	Bank of Baroda	70	139	159	281.64	568.46	2,905.71
		*05	*12	*15	30.07	35.54	528.63
					+FS 1500	+U.Sh	9844000
4.	Bank of India	154	168	215	701.75	725.19	728.62
		*06	*16	*11	2355.83	4249.29	988.51
5.	Bank of Maharashtra	31	22	50	298.63	404.65	465.11
6.	Canara Bank	140	259	217	369.35	891.13	1,402.21
7.	Central Bank of India	50	85	130	1311.66	3234.72	347.46
8.	Corporation Bank	14	31	38	16.47	42.24	38.28
9.	Dena Bank	32	38	39	33.66	159.65	1,049.62
10.	Indian Bank	68	42	60	319.93	638.24	286.26
11.	Indian Overseas Bank	83	75	75	745.40	143.54	356.97
12.	New Bank of India	25	29	—	495.83	69.72	—
13.	Oriental Bank of Commerce	26	22	14	26.66	102.97	230.88
14.	Punjab National Bank	54	88	138	111.53	3224.29	2,003.36
15.	Punjab & Sind Bank	06	21	17	245.61	654.21	163.26
16.	Syndicate Bank	96	139	100	282.38	174.10	1,371.80
17.	Union Bank of India	44	61	39	47.45	756.54	336.54
18.	United Bank of India	26	50	43	243.29	11459.66	171.89
19.	UCO Bank	39	35	58	4486.87	183.46	416.89
			*6			165.27	
20.	Vijaya Bank	30	39	32	25.16	190.83	45.93
	Total	1063	1449	1476	13425.38	30,159.76	16,311.71
					+FS 1500	+U.Sh.	9844000

*Outside India
FS = Fijian Dollars
U.SH = Ugandan Shilling
(Total Provisional)